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Reg. No.....

Name.....

**B.Com. DEGREE (C.B.C.S.) EXAMINATION, NOVEMBER 2022**

**Fifth Semester**

Optional Core—CO 50 CT 01—INCOME TAX—1

(B.Com. Model II Finance and Taxation, B.Com. Model III Taxation, B.Com. Model I Finance and Taxation)

(2017 Admission onwards)

Time : Three Hours

Maximum Marks : 80

**Instructions to private candidates only :** *This question paper contains two sections. Answer Section I questions in the answer book provided. Section II Internal Examination questions must be answered in the question paper itself. Follow the detailed instructions given under Section II.*

**Section I**

PART A

*Answer any ten questions.  
Each question carries 2 marks.*

1. What is Casual Income ?
2. What is an 'Indian Company' for tax purposes ?
3. How is payment on 'VRS' taxed ?
4. What are the prerequisites according to Section 17 (2) ?
5. Define Fair Rental Value.
6. How is self-occupied house valued ?
7. Write a short note on unabsorbed depreciation.
8. What do you mean by Tax Development Account ?
9. What is meant by Recognized Provident Fund ?
10. Distinguish between 'Assessee' and 'Deemed Assessee'.
11. What is 'Maximum Marginal Rate' ?
12. What is converted property ?

(10 × 2 = 20)

**Turn over**





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PART B

*Answer any **six** questions.  
Each question carries 5 marks.*

13. What is Gross Total Income ? How does it differ from Total Income ?
14. Explain how is residential status determined ?
15. What is meant by 'profits in lieu of salary' ?
16. Discuss the conditions laid down for the allowance of bad debts.
17. Which are the deductions from the annual value of a house Property ?
18. Mr. Sam was born in India in 1988. From 2008 to 2018 he was in Canada. From 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019, he was in India. From 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2021, he was in Australia. On 1<sup>st</sup> April 2021 he came to India and is staying in India. What will be his residential status in India, for the previous year 2021-22 ?
19. Mr. Gopu is an employee in a company in Chennai. The company has provided him a residential accommodation. His salary break-up for the year 2021-22 are as follows :
  - 1 Basic salary Rs. 30,000 per month.
  - 2 Dearness allowance 50 % of salary (50 % forming part of pay).
  - 3 Bonus Rs. 5,000 per month.
  - 4 Entertainment allowance Rs. 2,000 per month.
  - 5 The company has provided free electricity, gas and water, the cost of which amounted to Rs. 24,000 during the year. In respect of the accommodation, the company recovered Rs. 3,000 per month from his salary. Compute the value of Free house, includible in the salary of Gopu.
20. Mr. XY Owens a house in Kollam, Municipal value of the Property is Rs. 84,000. During the previous year 2021-22, the Property was self-occupied for two months and let-out for Rs. 9,000 per month, from June 2021 onwards. The tenant vacated on 30<sup>th</sup> November 2021 and the property remained vacant during December and January. From February 2022 again, it was let out for Rs. 10,000 per month. Find out gross annual value.





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21. Mrs. Annu submits the following details. Compute depreciation allowance for the year 2021-22 :
- 1 W.D.V. of plant and machinery on 1<sup>st</sup> April 2021 Rs. 6,00,000.
  - 2 P and M purchased on 15<sup>th</sup> May 2021 for production dept. Rs. 5,00,000.
  - 3 In June 2021 the assessee purchased the following assets :
    - a) Office appliances Rs. 50,000.
    - b) Air-Conditioners for guest house Rs. 30,000.
    - c) Car Rs. 2,00,000.
  - 4 P and M purchased on 10<sup>th</sup> November 2021 for production Dept. Rs. 1,50,000.
- (6 × 5 = 30)

### Part C

*Answer any two questions.  
Each question carries 15 marks.*

22. Explain which are the incomes exempt from tax under Section 10 of Indian Income Tax Act. ?
23. Mr. Vinod is an officer of a private bank. His salary during the year 2021-22 Rs. 1,60,000, Dearness allowance Rs. 50,800, Interim Relief Rs. 14,400, City compensatory allowance Rs. 9,600, HRA Rs. 3,000 and Festival Allowance Rs.1,500. He encashed his earned leave during the year and received Rs. 65,000. In addition he received advance salary Rs. 25,000 and D.A arrears Rs. 36,000. He also received Rs. 40,000 towards medical reimbursement of his aged father (treatment in a Govt. Hospital). Compute his income from salary for the year 2021-22 assuming that he has paid tax on employment Rs. 1,500 and incurred Rs.1,000 per month for conveyance expenses.
24. Mr. Sanal is the owner of a house property, let out for Rs. 90,000 per annum. The tax payable by the owner amounts to Rs. 8,400 on municipal valuation of Rs. 84,000 but the landlord has taken an agreement that the tenant would pay tax direct to the Municipality. As per the agreement, the landlord however, incurred, the following expenses on amenities for the tenant. Water charges Rs.1,000, Lift maintenance Rs. 1,000, Salary of Gardener Rs.1,200, Lightening of stairs Rs. 800. Mr. Sanal claims the following deductions : Repairs Rs. 30,000, Land revenue Rs.1000, Collection charges Rs. 2,000, Legal charges incurred on purchase of land on which the property is situated Rs. 24,000. Compute the taxable income from house property.
25. Write a short note on the following :
- a) Presumptive Taxation (sec. 44AD).
  - b) Deemed Ownership of property.
  - c) Accelerated assessment.

(2 × 15 = 30)

